

**INFLUENCE OF CORPORATE SOCIAL RESPONSIBILITY ON  
PERFORMANCE OF FINANCIAL INSTITUTIONS IN KENYA:A CASE  
OF BARCLAYS BANK IN NAIROBI COUNTY**

**BY  
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## **DECLARATION**

This research project report is my original work and has not been presented for the award of any degree in other University

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## **DEDICATION**

This project is dedicated to my entire family; my wife – Vivian Chepkosgei, my son Adriel Mang’eni, my parents Pascal Wafula, Eunice Wafula and my siblings Ronald Simiyu, Jackline Mtenyo, Charles Mulati, Joseph Wambulwa, Lusaria Nelima and Mercylyne Wafula who sacrificed their time and comfort to support me during my studies.

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## **ABBREVIATIONS AND ACRONYMS**

<b>ABSA :</b>	Amalgamated Bank of South Africa
<b>ATM :</b>	Automated Teller Machines
<b>BBK :</b>	Barclays Bank of Kenya
<b>CBO :</b>	Community Based Organisations
<b>CFP :</b>	Corporate Financial Performance
<b>CP :</b>	Corporate Performance
<b>CSR :</b>	Corporate Social Responsibility
<b>CSV :</b>	Creating Shared Value
<b>EU :</b>	European Union
<b>FP :</b>	Financial Performance
<b>HIV :</b>	Human Immunodeficiency Virus
<b>I&amp;M :</b>	Investments & Mortgages Bank
<b>KCB :</b>	Kenya Commercial Bank
<b>NFP :</b>	Non-Financial Performance
<b>NGO :</b>	Non-Governmental Organisations
<b>ROA :</b>	Return on Assets
<b>ROE :</b>	Return on Equity

## **ABSTRACT**

This research aimed to assess the influence of Corporate Social Responsibility (CSR) on the Performance of financial institutions, a case of Barclays bank of Kenya in Nairobi County. In relation to organisational performance, firms have varied reasons for involvement in CSR; ranging from a long term strategy of creating and gaining competitive advantage to also include concern for society. This study will provide a broad understanding of the influence of CSR on performance of financial institutions. Objectives of the study were: to assess the influence of corporate philanthropy on performance, assess the influence of staff volunteerism on performance, and examine the influence of workplace policies and the influence of supplier sourcing diversity on the on the Performance of financial institutions. The study adopted a descriptive research design that made use of both descriptive and explanatory methods aimed at establishing the influence of Corporate Social Responsibility on the Performance of Barclays bank of Kenya (BBK). The target population for this study was 300 staff of the management cadre who undertakes their work within Barclay's branches and head offices geographically located within Nairobi County. Stratified random sampling was used to select the sample for the study by dividing the study population into: top, middle and lower levels of management. There after simple random sampling was used to select the sample in proportion to the size of each stratum for the study. By using this method, 40% of the study population was selected giving a sample size of 120 respondents. So as to ensure that the data collected is free from bias, the study made use self-administered questionnaires to collect primary data from the sample. This structured questionnaire only had close ended questions. The questionnaires were distributed to the sampled respondents and collected three days later, this was done so as to give room and time to the respondents to fill. The validity of the research instruments was ensured by conducting a pilot test using fifteen respondents chosen outside the sample. Review of the research instruments was done following the outcomes of the tests. To ensure the questionnaire captured the information required, expert advice was sought from the supervisor. Completed instruments were assembled, edited, coded and interpreted in relation to the research objectives. Data analysis was done using descriptive statistics by the aid of Statistical Package of Social Scientists (SPSS) version 18 software program. Data collected was analyzed using descriptive statistics; frequencies and percentages. The researcher checked the data for completeness and correctness then coded the data and summarized the responses into frequency tables. The study had a response rate of 80%. The findings of the study revealed that corporate social responsibility has a bearing on the performance of financial institutions. It highlighted that Staff involvement aids in marketing the institution as well as reinforcing the brand image. This contributes to increased profitability. The symbiotic relationship between stakeholders – the institution, the suppliers, customers, staff as well as the community plays a key role in enhancing performance of the financial institutions. A CSR foundation was also found to be one avenue that can help organisations have coordinated corporate social responsibility (CSR).

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Background of the Study**

Corporate Social Responsibility (CSR), generally understood as the obligations that a business has to society that extends beyond its narrow obligation to its owners or shareholders (Bowen 1953). This has risen to prominence in recent years, and has subsequently been identified as having the potential to make significant positive contributions to developing countries (Visser, 2006). The definition of CSR however has remained a matter of great debate, and according to Carroll, 1991; Jones, 1995; 1999; McWilliams and Siegel, 2001, there is still no consensus on a commonly accepted definition of CSR. According to Bowen (1953), CSR refers to the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society. CSR is the way in which a company manages and improves its social and environmental impact to generate value for its shareholders and stakeholders by innovating its strategy, organisation and operations.

CSR is implicitly the expression of a voluntary effort by which the firm complies with ethical standards, as opposed to purely economic or legal imperatives (Jones, 1980; Carroll, 1999). Johnson and Scholes (2002) highlight that aspect, stating that: “corporate social responsibility is concerned with the ways in which an organisation exceeds the minimum obligations to stakeholders specified through regulation and corporate governance”. CSR is in the domain of ‘moral obligation’ or ‘normative principles’, and not only a question of obedience to the law (Kooistra, 1999; Scholl, 2001). Organizations’ involvement in CSR is motivated by their long term perspective. CSR is that part of a long-term perspective of economic gain that may not be financially measurable but may provide a valuable asset for future profitability, and eventually for “social power”. Principles represent the motivational inputs driving the commitment to CSR. Swanson (1995) suggested three main types of motivations that stand out. First, CSR can be viewed as an instrument useful to help achieve organisation performance objectives defined in terms of profitability, return on investment, or sales volume. Second, CSR as an instrument that compels businesses are to adopt social responsibility initiatives in order to conform to stakeholder norms defining appropriate behavior. Third, as an instrument that suggests that businesses may be self-motivated to have a positive impact regardless of social pressures calling for CSR initiatives Carroll (1999).

Processes designate the managerial procedures and instruments employed by businesses to bring their motivational principles into practice. For example, Wood (1991) highlighted three main types of CSR processes: environmental management, issues management, and stakeholder management. Once implemented throughout the organization, these processes help the firm to keep abreast of, and to address successfully, stakeholder demands. Stakeholder issues are concerns of importance to the groups that can directly or indirectly affect or be affected by the firm's activities (Clarkson, 1995). Some main stakeholder groups include customers, employees, shareholders, suppliers, the government, and members of the communities where the firm operates. Stakeholders may advocate not only issues that affect their own welfare (e.g., consumer representatives calling for improved product safety), but also additional issues that affect others (e.g., consumer activists condemning child labor).

Firms committed to CSR have principles and processes in place to minimize its negative impacts and maximize its positive impacts on selected stakeholder issues. Therefore in their approach to CSR and guided by the CSR principles and process, these organisations partner with its stakeholders to maximize the opportunities presented by economic, social and environmental sustainability issues, as well as collaborate to minimise the associated risks. Effective management of key stakeholders acts as a value driver by leveraging performance and reducing stakeholder-inflicted costs. Lower employee turnover reduces hiring and training costs, loyal suppliers reduce quality certification costs, supportive communities reduce legal and public relations overhead, and stable shareholders lessen stock market volatility.

Several public and private business companies in Kenya and world over are engaged in CSR activities. In the USA, the Bank of America has been actively involved in CSR having worked with several partners to help reduce mother to Child HIV transmission as well as working with war veterans in helping them transition from active duty to civilian life. In the UK, companies like Gripple, a supplier and manufacturer of wire and wire rope tensioning and joining units in the UK, has focused on launching and supporting education and skills related initiatives and thus offers pupils and students from surrounding schools, colleges and universities opportunities to visit its factory and take part in work experience programmes. In Africa, ABSA is the main sponsor of the South African rugby team besides being the title sponsor of the South African football league. Examples of such companies in Kenya are; Kenya Commercial Bank, East African Breweries, Safaricom, Equity Bank, Ken-Gen who

engage in CSR through formally recognised foundations. Some institutions perform CSR activities through other institutions directly attached to them or work with partners with whom they have entered into partnerships for example Total Kenya who sponsors the Total Eco Challenge. The community implementing partners may include Non-Governmental Organizations (NGO's), Community Based Organizations (CBO's), Women and Youth groups (Info track East Africa, 2012).

Programmatic CSR activities eventually cultivate loyal partners and a grateful clientele thereby developing a highly productive and sustainable relationship between the initiating organizations, partner donors both individual and corporate as well as beneficiaries in the community. Such relationships are the target of any organization with CSR programs. Good examples of such relationships are the Dettol Heart Run, Safaricom Lewa Marathon and the Rhino Charge where individuals and corporate Kenyans as well as some foreigners book the activities in their diaries and set aside funds to participate. These activities are in the areas of environmental conservation, education, health, water and contributions towards disasters like the Kenyans for Kenya initiative.

## **1.2 Statement of the Problem**

A firm's CSR strategy is related to its core business, Muriu (2010) acknowledges that strategies must therefore be developed in line with and implemented for sustainability of an organisation. Companies will find it increasingly difficult to handle the pressure of various external stakeholders without social investment (Margolis and Walsh, 2003), hence the need of creation of competitive advantage, Porter and Kramer (2006), the same feeling is supported by Makau (2006) whose research findings indicate that customers are more loyal to companies that engage in CSR.

Socially responsible companies in comparison with less socially responsible business are less risky investments, tend to be somewhat more profitable, have a more loyal and committed workforce and have a better reputation, which encourages stakeholders to establish long-term business relationship with them. This study therefore aimed to assess how corporate social responsibility influences the performance of financial institutions, a case of Barclays bank of Kenya in Nairobi County.

### **1.3 Purpose of the Study**

The purpose of this study was to study the Influence of Corporate Social Responsibility on Performance of Financial Institutions in Kenya at the Barclays Bank branches in Nairobi.

### **1.4 Objectives of the Study**

The study was guided by the following study objectives

- i. To assess the influence of corporate philanthropy on the performance of financial institutions.
- ii. To assess the influence of staff volunteerism on the performance of financial institutions.
- iii. To examine the influence of workplace policies on the performance of financial institutions.
- iv. To assess the influence of supplier sourcing diversity on the performance of financial institutions.

### **1.5 Research Questions**

The study sought to answer the following research questions:

- i. How does corporate philanthropy influence the performance of financial institutions?
- ii. How does staff volunteerism influence the performance of financial institutions?
- iii. How do workplace policies influence the performance of financial institutions?
- iv. How does supplier sourcing diversity influence the performance of financial institutions?

### **1.6 Significance of the Study**

It is hoped that the study will be beneficial to various stakeholders, organisations and scholars. Financial institutions may opt to use the findings of the study to improve their CSR strategy. The findings may also benefit the organisation decision makers to adopt more stakeholder responsive CSR activities and hopefully guide policy directions and decisions. Altman (1998) wrote that corporate citizenship and community relations have been found to be strategic, further Carroll (2001) postulates that strategic philanthropy or strategic CSR has helped to accomplish strategic business goals, therefore, CSR has been identified as a strategic tool that can be used by organisations to ensure that organisational objectives are achieved while gaining from the benefits of such CSR interventions. Besides, the findings from this study will be useful to researchers and other scholars because they may use them as basis for further research. The study will add to knowledge on how CSR influences performance in financial institutions.

### **1.7 Delimitations of the Study**

Delimitations are those characteristics that limit the scope and define the boundaries of the study, but are within the researchers' control, Simon (2011). The study concentrated on the variables; corporate philanthropy, staff volunteerism, workplace policies and supplier sourcing diversity and how these elements influence the performance of financial institutions. The Kenya Institute of Management (2009) postulates that where a problem has been identified, it is important to delimit the research problem so as to make it manageable. Barclays was chosen as a case because it is one of the organizations that is involved in CSR.

### **1.8 Limitations of the Study**

Limitation in finances and time made it difficult to do a comprehensive study on the influence of Corporate Social Responsibility activities on the Performance of financial institutions as a whole; the study was limited to Barclay Bank Kenya in Nairobi County. Limitations are those conditions beyond the control of the researcher, Best and Kahn (2000) they may place restrictions on the findings and conclusions of the study and how they are applied to other institutions. This limitation was managed by scaling down the study to fit within the researcher's budget.

The researcher expected to have time constraints on the part of the respondents who may be so busy to have time to fill in the questionnaires. According to Burt and Kemp (1994), overestimating time may be a means of controlling time and avoiding stress because it allows enough time for tasks to be completed. The researcher dealt with this problem by developing a brief, precise and friendly questionnaire that consumed the respondent's least time.

### **1.9 Assumptions of the study**

The study will be undertaken with the assumption that respondents will be willing to participate freely in the research and will provide the requested information by virtue of honestly answering the questions that will be seeking to answer the research questions. Assumptions of the study are things that are somewhat out of the researchers' control, but if they disappear the study would become irrelevant, Leedy and Ormrod (2010) posited, "Assumptions are so basic that, without them, the research problem itself could not exist".

### **1.10 Definition of Significant Terms as Used in the Study**

<b>Corporate Philanthropy:</b>	Acts taken by organizations in the form of donations of both financial resources as well as material resources to the betterment of the community/environment
<b>Corporate Social Responsibility:</b>	Is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.
<b>Performance of Financial Institutions:</b>	The accomplishment of given tasks measured against preset known standards of accuracy, completeness and cost expressed in terms of overall profits and losses as well as perception in relation with business stakeholders in the financial services industry.
<b>Sourcing Supplier Diversity:</b>	The act of ensuring that all providers of any service to the organisation are such that they not only focus on their margins but also put customer interests at the centre of their dealings with Barclays
<b>Staff Volunteerism:</b>	Acts of staff who perform hours of service for a public agency, for civic, charitable, or humanitarian reasons, without a promise, expectation or receipt of compensation for services rendered.
<b>Supportive Workplace Policies:</b>	Policies which are friendly to not only the organization's but also staff in such a way that staff are able to see, visualize actual friendliness and are working to ensure they in harmony with these policies.



### **1.11 Organisation of the Study**

This study investigated the influence of corporate social responsibility on performance of financial institutions, a case of Barclays bank of Kenya in Nairobi County. Chapter one highlights the background of the study, the statement of the problem as well as the CSR variable are under study, the purpose of the study, the objectives of the study, research questions, the significance of the study, the limitations of the study, the scope of the study, the basic assumptions of the study, definition of terms and the organization of the study.

Chapter two presents the literature review which highlights some of the studies done by different authors related to CSR and its influence on performance financial institutions. The chapter shows the theoretical framework of the study as well as the conceptual framework which presents the dependant and the dependant variable as well as the different CSR approaches that can be employed.

Chapter three presents the research methodology. This chapter therefore contains details on the research design, target population, sampling strategy, research instrument, validity and reliability as well as data analysis strategies. Chapter four gives results of the study based on both the objectives and the research questions. The researcher makes observations based on the results of the study. The results are presented in the form of frequency distribution tables.

Chapter five consists of a summary of the findings of the research, conclusions relating to the research objectives, suggestions and recommendations. The chapter also presents areas of further research.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter introduces the concept of Corporate Social Responsibility and its application in organisations and narrowed down to the various elements of CSR as applied in Barclays Bank of Kenya. The chapter also discusses theories of CSR, reviews theoretical and literature from past studies related to the influence of CSR in the performance of organizations. It particularly tries to define CSR in the context of the variables of corporate philanthropy, staff volunteerism, workplace policies and supplier sourcing diversity and how these CSR elements influence performance of financial institutions.

#### **2.2 Corporate Philanthropy and Performance of Financial Institutions**

The approach of business organizations to CSR has moved from merely displaying social concerns to being sensitive and alert to the constituents in the internal and external business environment. Corporate philanthropy a key element of CSR basically refers to the idea of the firm 'giving back' (financially) to society some of the wealth it has created thanks to society's inputs. According to Frederick (1987) and Mitnick (1995) who introduced the 'charity principle' as an obligation for the wealthy to support the less fortunate, this includes monetary donations and aid given to local and non-local nonprofit organizations and communities, including donations in areas such as education, housing, health, social welfare, and the environment. CSR is the continued commitment by a business to contribute to economic development while improving the quality of life of the company's workforce and their families as well as of the community and society at large, Visser (2006).

CSR has moved from being a side issue to a core business issue in most companies. This is because many companies have come to understand the benefits of a good CSR strategy. Baron (2000) states that these are elements in achieving good business practices and effective leadership, both at the local level as well as internationally, According to Amnesty International – Business Group (UK) (2008), companies have to recognise that their ability to continue to provide goods and services and to create financial wealth will depend on their acceptability to an international society which increasingly regards protection of human rights as a condition of the corporate licence to operate. A healthy economy, environment and society are fundamental to long-term business success. Nordisk (2013) further states that, “this is why we conduct business in accordance with the Triple Bottom Line (TBL) business

principle, which according to Elkington (2007) is a principle that measures the company's economic value, "people account" – which measures the company's degree of social responsibility and the company's "planet account" – which measures the company's environmental responsibility and pursue business solutions that maximise value to stakeholders as well as shareholders". In practice, this means that decisions should seek to combine three considerations geared at assessing financial, social and environmentally responsibility.

Continued existence and operation of the business is to an extent determined by the organisations involvement in CSR. Novethic (2003) approaches CSR by defining the three key elements linked to the principle of sustainable development, an economic dimension (efficiency, profitability), a social dimension (social responsibility) and an environmental dimension (environmental responsibility). To appreciate these dimensions, corporations must pay more attention to all the stakeholders. Novethic's elaboration of CSR helps in demystifying the need of corporations to be broad looking and realize that their operating environment is not only its internal environment but also its external environment.

### **2.3 Staff Volunteerism and Performance of Financial Institutions**

Stakeholders are powerful forces that are bound to accelerate or decelerate a firm's performance. A firm's survival and success depends on the ability to create sufficient wealth and satisfaction for its primary stakeholders (Clarkson, 1995), who include its employees, shareholders, customers, suppliers, communities, and natural environment. If any of the primary stakeholder groups withdraws its support to the firm, the firm's operation is adversely affected Clarkson (1995). Firms that establish relationships with primary stakeholders beyond market transactions gain competitive advantage. Staff volunteerism is a critical element of CSR and has been witnessed through the growth in Employee Volunteer Programs (EVPs). Research suggests, Brudney and Gazley (2006) that 18% of Americans, or 35% of the workforce, work for an employer that offers employee volunteer programs, more so, 55 to over 80 percent of corporations report having or sponsoring employee volunteer programs. Barclays Bank of Kenya has leveraged on not only corporate philanthropy but also sponsoring EVP. Companies have determined that their impact on the economic, social and environmental landscape directly affects their relationships with stakeholders, in particular investors, employees, customers, business partners, governments, and communities (Porter and Kramer, 2011). Staff volunteerism considers the impact of business on the global society

and the local community. As such, social responsibility is more than a virtue – it is a business imperative.

Institutions empower employees through such EVP schemes, for instance Barclays empowers employees to make a difference through community schemes, which include the Shilling for Shilling Fundraising Campaigns and Make a Difference Day (MADD) activity, Barclays Annual Report (2011). BBK believes that its social responsibility extends from the bank's 4,400 plus employees to Barclays customers and the communities in which the bank operates. Barclay's staffs are active in the community, in 2011; they raised £72,500 to support communities in Kenya's drought-hit areas. The money raised was used to set up greenhouses to improve food security and provide income. They volunteered 26,018 hours and supported 43 charities in total, besides in the month of October every year Barclay's colleague's world over roll up their sleeves and embark on community service, the event, dubbed MADD.

In pursuant of various CSR activities, organisations are assumed to benefit in a number of ways. For instance, Loyalty is gained; the existing customers are proud to be associated with those institutions that have a positive impact in the community. CSR boosts the morale of the existing employees as they are proud to be associated with such an organisation. This pride in the employer increases employee productivity and reduces staff turnover resulting in reduced costs associated with hiring and training of new staff. CSR commitments communicate the nature and direction of the firm's social and environmental activities and, will help others understand how the organization is likely to behave in a particular situation.

#### **2.4 Workplace Policies and Performance of Financial Institutions**

Another approach to CSR is to incorporate the CSR strategy directly into the organization by virtue of the policies in place. According to Charness and Kuhn (2011), an organisations investment in CSR may be regarded as an alternative to motivation, they state that analyzing the employer-employee relationship, indicate that alternatives to monetary incentives can also be motivating agents especially so if workers like the particular CSR activity. Besley and Ghatak (2005) stress the importance of such matching mission preferences in a principal agent relationship and they theoretically show that missions can economize on the need for high monetary incentives which then make significant contribution to the organisation in the long term. In many situations this is usually done by entrenched policy statements in the organisations Code of Conduct which sets out the standards of ethical behaviour required of

all employees and officers, as well as all as the leadership and agents whenever they are acting on behalf of the company. This approach contributes to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large, it works to encourage and support employees in their own community activities and fundraising efforts, through the provision of time and/or financial contribution.

Besides organizations provide a workplace in which diversity is valued and there are equal opportunities, the organisation provides a mechanism/s by which employees can raise their views and be engaged in change and issues that affect the company, as well as provision of a safe and secure workplace which is conducive to the health and welfare of employees. The continued development of staff is key organisations strive to support employees with learning and development opportunities to help them reach their potential and maximise their contribution to organisations strategy.

“Organizational practices are contextualized within institutional environments” (Scott, 1991), this statement encapsulates the basic premise that organizations respond to external social and cultural forces, rather than just market forces (Selznick, 1957). In which case organizations are substantially influenced by the institutional settings in which they operate. Organizations are thus subject to institutional pressures wherever they are located and must coordinate and control their actions accordingly (Meyer and Rowan, 1977). It is important therefore to note that the organizational practices in one way or the other will affect how each of the independent variables influences performance of the financial institution especially taking note of that fact the an organization’s survival requires it to conform to social norms of acceptable behavior. As norms vary both temporally and spatially, institutional concepts provide a means to study organizational phenomenon, including that of CSR, in a variety of contexts. From this perspective, institutional factors have implications for the uptake and practice of CSR, serving to promote or temper CSR agendas (Campbell, 2007).

## **2.5 Supplier Sourcing and Diversity and Performance of Financial Institutions**

A business operates within an environment of stakeholders. These stakeholders take an interest in the company activities and their impact on the environment, local communities and the workforce. CSR aims at maximizing the creation of shared values for the owners, stakeholders and society at large. The approach of Creating Shared Value (CSV) is based on

the idea that corporate success and social welfare are interdependent, Porter (2006). A business needs a healthy, educated workforce, sustainable resources and a proficient government to compete effectively. Considering that CSR is defined as the responsibility of enterprises for their impacts on society, European Union (EU) (2011), CSR takes place when firms put in place processes that integrate social, environmental, ethical, human rights and consumer concerns into their core strategy and business operations in close collaboration with their stakeholders.

Organizations' CSR extends to both its partners and suppliers. By adopting a purchasing/procurement program that takes into account the environmental impact of products and services, organisations then are able to strengthen their contribution to a sustainable future. Procurement policy objectives may be targeted at selecting only partners/suppliers that comply with all applicable governmental environmental regulations, selecting only partners/suppliers that comply with internationally recognized human rights standards, as well as favoring suppliers that strive to reduce their environmental footprint. For society to thrive, profitable and competitive businesses must be developed and supported to create income, wealth, tax revenues, and opportunities for philanthropy. Supplier sourcing diversity demands that good corporate leadership and governance be in place and that Organizations should therefore strive to maintain a balance between the organizational interests and those of stakeholders in order for the organization's business to be conducted in a profitable and sustainable manner. Supply chains therefore aim to work actively with suppliers who commit to organization values, especially in reference to fair employment and good environmental practice. Organizations also recognize the importance of the supply chain and are committed to developing secure relationships based on mutual trust for mutual benefit.

## **2.6 Performance in Financial Institutions**

Performance defined as the accomplishment of given task measured against preset known standards of accuracy, completeness and cost expressed in terms of overall profits and losses as well as perception and relation with business stakeholders. Performance of business organizations is affected by their strategies and operations in market and non-market environments (Baron 2000), with the financial performance of an organization being a measure of how a firm is able to use assets from its core business to generate revenues, Dallochio & Salvi (2005). Orlitzky et al. (2003) defined Corporate Financial Performance

(CFP) as “the extent to which a company achieves its economic goals”. CFP is the expression of companies’ wealth; it is the translation into numbers of the first objective of companies: to make profit. Where financial measures are market and accounting based and the non-financial being perceptual measures, with perceptual measures being less used of the measures. This measure consists of “asking survey respondents to provide subjective estimates of, for instance, the firm’s soundness of financial position.” Orlitzky, Schmidt, & Rynes (2003)

Financial Performance (FP) measures are lag indicators and capture historical performance arising from mostly tangible assets, Ong (2003). They often fail to properly record performance from intangible assets such as customer relationships, employee satisfaction, innovation, investment in research and development, and the like that have become significant sources of competitive advantage for firms in recent times, Lev (2000). In contrast, Non-Financial performance (NFP) measures focus on a firm’s long-term success factors such as research and development, customer satisfaction, internal business process efficiency, innovation, and employee satisfaction, and capture performance improvements from intangible assets (Kaplan and Norton, 2001). Investments in intangible assets such as research and development are expensed immediately instead of getting capitalized in the traditional accounting system. Such treatment of intangible assets depresses the profit in the current year though benefits from such investments accrue to the firm over a long period of time. By accounting for such performance improvements, NFP measures provide indirect indicators of firm performance. Because of their focus on consequences rather than causes of performance, NFP measures are considered as ‘lead indicators’ (Ittner and Larcker, 2000). FP measures are objective, whereas NFP measures are subjective in nature and include managers’ perception of firm performance on market share, employee health and safety, investment in research and development, and others. Perceptual data on NFP from senior managers correlate with hard data on FP from secondary sources (Venkatraman and Ramanujam, 1987) suggesting their complementarity. Hence, FP measures along with NFP measures are used to assess firm performance holistically (Ittner and Larcker, 1998).

## **2.7 Theoretical Framework**

This study was based on the Stakeholder theory as proposed by Edward Freeman in 1984, and which says that; for any business to be successful it has to create value for all its stakeholders. (Customers, suppliers, employees, communities and financiers, shareholders,

banks and others people with the money). It says that you can't look at any one of their stakes or stakeholders if you like, in isolation. Their interests have to go together, and the job of a manager or entrepreneur is to work out how the interest of customers, suppliers, communities, employees and financiers go hand in hand. This theory, which states that a company's aim to accumulate profits is a consequence of the company's activity and not its primary cause, thus the company's aim is to meet the needs of stakeholders, that is any person who is affected by the decisions made by the company and if this is done, profit will be made, Freeman (1984) is based on the concept of a social contract, which maintains that CSR is a function of on-going terms of general agreements between business and society. The idea of a license to operate implies that society allows business to operate assuming that it will behave fairly and show accountability for its actions beyond legal requirements. Moir (2001) argues that the social contract perspective enables a firm to act responsibly, not “because it is in its commercial interest, but because it is part of how society implicitly expects business to operate”. According to the stakeholder theory, corporations have social responsibilities that extend beyond the pursuit of shareholders benefit, but also have responsibilities to all other associated stakeholders.

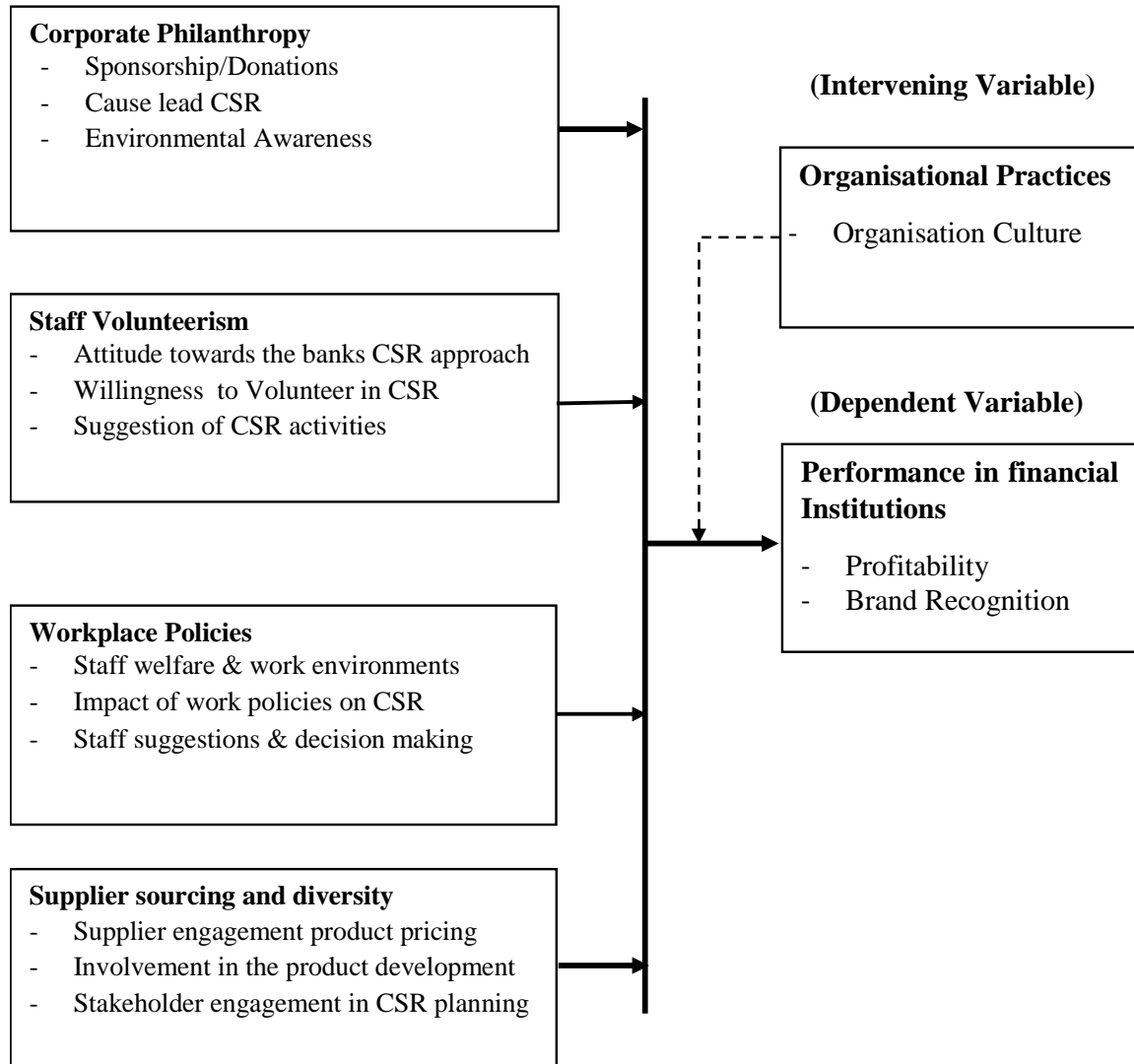
The organizations are responsive to an elastic list of stakeholders including (among others) customers, employees, suppliers of raw materials, the government, the community, the environment, assorted activist groups, and shareholders (Coelho, 2002). This theory has been supported by a number of authors from a wide variety of disciplines for example Porter & Van der Linde (1995), Weiss (1994), Carroll (1993) and Freeman (1984). Corporations interact continually with its stakeholder groups and much success of a firm depends on how well all these stakeholders' relations are managed, these stakeholders both affect and are affected by the actions of the firm, Freeman (1984). Stakeholder theory suggests that organisational survival and success is dependent on satisfying its economic (e.g. profit maximisation) and non-economic (e.g. corporate social performance) objectives by meeting the needs of the company's various stakeholders, Balmer et al. (2007) pointed out one limitation of the stakeholder theory and they argue that there is need to look beyond its paradigms because they regard society and the stakeholder as a general obligation and fail to provide criteria to evaluate the extent to which corporate activity can be considered socially responsible.



## 2.8 Conceptual Framework

The interrelationships among variables which are deemed to be integrated as part of the dynamics to be investigated were conceptualized as shown in the figure below:

### (Independent Variables)



### Conceptual Framework

Figure 2.1: Conceptual Framework

## **2.9 Knowledge Gap**

While this study is based on the stakeholder theory, with the primary way of assessing performance being perception based, a similar study making use of hard data should suffice to shed light on the influence of CSR on the performance of organisation. For this to be achieved, the industry players would then need to develop specific CSR indices that can be used to gauge the impact of CSR undertakings by organisations either specific to a particular industry or corporate organisations as whole. Besides, this indices may guide future CSR engagements for they may provide baseline information upon which interested parties may base their evaluations on.

## **2.10 Summary of the Literature Review**

According to Bowen (1953) who found out that there are benefits that accrue to an organisation by its involvement in CSR activities, it has been found out that some of the reasons for involvement in CSR by organisations include but not limited to the need to improve their image, enhance brand recognition as well as decrease operational risks. Other benefits of CSR are to the environment and to the community. Involvement in CSR is bound to impact on the overall performance of the financial institutions in one way or another. While there have been mixed results on the findings of previous CSR related research, previous research has been silent on the influence of CSR on performance therefore a justification for this research focus on financial institutions.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This section is concerned with the methodology that was used to answer the research questions and meet the objectives of the study. It covered the research design, target population, data collection tools and procedures of and data analysis.

#### **3.2 Research Design**

According to Henon (1998), a research design is defined as a plan for collecting and utilizing data so that the desired information can be obtained with sufficient precision. This study will adopt a descriptive research design which will enable the researcher to in-depth data for the purposed of the study. The researcher preferred case approach because it involved in-depth, contextual analysis of the organizations, where the nature of the problem and the problem definition happens to be the same as one explained in the current situation. A case also gives a very powerful form of qualitative analysis.

#### **3.3 Target Population**

A population is defined as a group of individuals, objects or items from which samples are taken for measurement, Kombo and Tromp (2006). The study was conducted within Barclays Bank (Nairobi) Kenya targeting employees of the management cadre in all the functional areas of the bank. Management employees of the bank are tasked with the responsibility of planning team activities of including planning of CSR activities. The target population of study was 300 employees. This population was distributed as presented in table 3.1

**Table 3.1 Target Population**

<b>Category</b>	<b>Population</b>	<b>Percentage (%)</b>
Top management	30	10
Middle management	60	20
Lower management	210	70
<b>Total</b>	<b>300</b>	<b>100</b>

### 3.4 Sampling Procedures

Sampling is the process of selecting a number of individuals or objects from a population such that the selected group contains elements of representative of the characteristic found in the entire group, Orodho and Kombo (2002). Due to the wide distribution of management staff in Barclays, a stratified simple random sampling will be adopted to get a good representation of the employees from all the functional areas of the organization, hence the different groups of individuals in the study will have an equal chance of being studied. This enabled the researcher to easily control the sample size in each stratum. It will also increase statistical efficiency; provide data to represent and analyse the sub-groups as well enable the researcher to use different methods in the strata. The categories of the respondents will be sampled courtesy of the positions they held in the bank. The population is composed of three strata; top level management, middle level and lower level management.

Simple random sampling was used to select the sample proportionate to the size of each stratum. The categories of the respondents were essentially sampled in this study courtesy of the positions they held in the organisation. This provided a good avenue for them to give accurate information for the study.

#### 3.4.1 Sample Size

According to Mugenda (2003), who has quoted Gay (1976) who argues that for small populations of less than 10,000 an adequate sample size of 30% of the population is okay, this is further supported by Gay (1981) who suggests that for descriptive research, ten percent (10%) of the accessible population is representative enough. Using this method of sampling and to reduce the degree of error the researcher will select a bigger sample of 40% of the target population giving a sample size of 120 as presented in table 3.2. In this study, Purposive sampling was used to select twelve (12) of the top management respondents, the remaining 108 lower and Middle management respondents were selected at random.

**Table 3.2 Sampling Frame**

Category	Population	Sample ratio	Sample size
Top management	30	0.1	12
Middle management	120	0.4	48
Lower management	150	0.5	60
<b>Total</b>	<b>300</b>	<b>1</b>	<b>120</b>

### **3.5 Research Instruments**

The researcher used questionnaires as the main research instruments, according to Onen (2004) a questionnaire is a collection of items to which a respondent is expected to react, usually in written form. Questionnaires will collect primary data for this study. The research instruments were pre-tested to ensure completeness, accuracy and the objectivity of the research questions. The questions are arranged in a logical sequence so as to enable the respondents have a smooth flow of ideas as they respond to the questions.

#### **3.5.1 Pilot Testing of the Research Instruments**

This involves trying out the instruments in the field once the research questions have been formulated. The questions are pre-tested to a selected sample used before finalizing them. This is to ascertain the reliability of the data collection instruments. In this case deficiencies such as the insufficient space to write, wrong phrasing of questions, vague questions and clustered questions were detected (Borg, 2007). A pilot test of the research instruments was conducted using respondents chosen outside the sample so as to pre-test their validity. The instruments were administered to 10 respondents and then scored.

#### **3.5.2 Validity of Research Instruments**

To test the validity of the research instrument, a sample questionnaire was prepared and submitted to the supervisor, who assessed its relevance to the research objectives as well as checked questions attempted to answer the research objectives as proposed in Chapter One. The questionnaire was checked for both construct and content validity. According to Mugenda and Mugenda (1999), validity is defined as the degree to which results obtained from analysis of the data actually represents the phenomenon under study and according to Carmine and Zeller (1979), validity can be assessed using expert opinion and informed judgment.

#### **3.5.3 Reliability of Research Instruments**

To test for reliability, the test re test technique was adopted, the instrument was administered then scored and was re-administered after two weeks, then scored and the response compared with the first administration. Reliability is defined as a measure of the degree to which a research instrument yields consistent results or data after repeated trials, Mugenda and Mugenda (1999). The aim of pre-testing was to gauge the clarity and relevance of the instrument items so that those items found to be inadequate for measuring variables were either be discarded or modified to improve the quality of the research instruments. According

to Robert et al (2008) there is no one best interval between the two tests but several weeks to several months is reasonable depending on the measure and the specific situation. A Pearson's product moment correlation coefficient formula was then used, which is calculated as:

$$\frac{\Sigma XY - \frac{(\Sigma X)(\Sigma Y)}{N}}{\sqrt{\left[ \frac{\Sigma X^2 - \frac{(\Sigma X)^2}{N}}{N} \right] \left[ \frac{\Sigma Y^2 - \frac{(\Sigma Y)^2}{N}}{N} \right]}}$$

**Where**

**r** = Pearson product moment correlation coefficient

**Y**= score in odd number questionnaire items:

**X**= score in even number questionnaire items;

**N**= Number of respondents.

**Where**

**r** = Spearman Correlation Coefficient between the two halves where the first half will be odd numbers and the second half will be even numbers.

**re**=the reliability co-efficient for the full length.

According to Mugenda and Mugenda (1999) a coefficient of 0.80 or more shows that there is high reliability of data. A correlation coefficient of 0.81 was arrived at and hence the instrument was deemed reliable for data collection.

### 3.6 Operational Definition of Variables

The researcher identified the following properties and indicators denoting the main variables under study for the purpose of making them measurable both objectively and subjectively

**Table3.3 Operationalization of Variables**

<b>Research Objective</b>	<b>Variables</b>	<b>Indicators</b>	<b>Measurement</b>	<b>Type of Analysis</b>
i. Asses the influence of corporate philanthropy on the performance of Financial Institutions	Independent Variable ( <b>IV</b> ) Corporate philanthropy	1. Sponsorship/Donations 2. Cause lead CSR 3. Perceived impact of the Banks CSR activities	1. No of activities 2. Types of activities 3. Impact of activities	Frequencies and Percentages
	Dependant Variable ( <b>DV</b> ) Performance of financial institutions			
	Intervening Variable	Organisational practices		
ii. Asses the influence of staff volunteerism in Corporate Social Responsibility on the performance of Financial Institutions	Independent Variable ( <b>IV</b> ) Staff volunteerism	1. Willingness to Volunteer in activities 2. Suggestion of CSR activities 3. Impact of the Banks CSR activities	Commitment to willingness participate in volunteering opportunities	Frequencies and Percentages
	Dependent Variable ( <b>DV</b> ) Performance of financial institutions			
	Intervening Variable	Organisational practices		
iii. Examine the influence of Supportive Workplace Policies on the performance of Financial Institutions	Independent Variable ( <b>IV</b> ) Workplace Policies	1. Staff interests taken care of 2. Healthy work environments 3. Staff suggestions & decision making	Willingness of to continually offer a supportive workplace	Frequencies and Percentages
	Dependent Variable ( <b>DV</b> ) Performance of financial institutions			
	Intervening Variable	Organisational practices		
iv. Assess the influence of responsible sourcing supplier diversity and its influence on the performance of Financial Institutions	Independent Variable ( <b>IV</b> ) Sourcing & supplier diversity	1. Engaging suppliers to guide product pricing 2. Involving suppliers in product development 3. Stakeholder engagement in planning		Frequencies and Percentages
	Dependent Variable ( <b>DV</b> ) Performance of financial institutions			
	Intervening Variable	Organisational practices		

### **3.7 Data Analysis Techniques**

The data collected for the purpose of the study was be adopted and coded for completeness and accuracy. Descriptive statistics was used to capture the coded data, analyze and represent the analyzed data. Quantitative data analysis was done using Statistical Package for Social Sciences (SPSS) Version 18, a computer program that facilitates data analysis. The program is convenient for it allows for a wide range of tasks ranging from simplified data entry, running of frequencies to handling of multi-variant data and coding of various responses so as to come up with quantitative responses.

### **3.8 Ethical Considerations**

In the course of the data collection process the researcher ensured adherence to the following ethical considerations. First, the researcher did not force the respondents to participate in the study, allowing them to participate on their own volition. This implies that if any of the respondents felt like withdrawing during the data collection process; they were allowed to do so. The researcher sought permission from the relevant research stakeholders before undertaking the study. The researcher upheld anonymity and thus the respondents were not required to give their names. Furthermore, while collecting data the researcher acknowledged all the sources of information collected from textbooks and other research materials respectively.



## CHAPTER FOUR

### DATA ANALYSIS, PRESENTATION AND INTERPRETATION

#### 4.1 Introduction

Chapter four of the study focuses on questionnaire return rate, demographic characteristics of respondents, analysis and interpretation of findings. The chapter presents collected data aligned on four objectives of the study as outlined in chapter one. The data analysed both qualitatively and quantitatively by use of descriptive statistics, was arranged according to the objectives of the research and the sample groups the summarized using tables and graphs for ease of interpretation and drawing of conclusions.

#### 4.2 Questionnaire Response Rate

**Table 4.1 Questionnaire Return Rate**

Questionnaires	Number of Questionnaires	Percentage (%)
Returned Questionnaires	96	80
Questionnaires not returned	24	20
<b>Totals</b>	<b>120</b>	<b>100</b>

Table 4.1 shows the questionnaire response rate. Out of the 120 questionnaires distributed to the sampled respondents, 96 questionnaires were returned; with the other 24 questionnaires representing 20% of the sampled population were not returned, with the targeted respondents citing unavailability of time to fill the questionnaires, as well as misplacement of the questionnaires. This 96 returned questionnaires gave a response rate of approximately 80%, which according to Babbie (1989) argues that a response rate of above 50% is adequate to carry out an analysis on the sample population. This implies that the response for this study at a return of 80% was adequate to carry out data analysis.

#### 4.3 Background Information on Respondents

This section of the research had questions that helped obtain general background information of the respondents. The variables focused on included age, education level, function/department, years of work experience as well nature of management – executive, managerial or supervisory in addition to the respondent's level of education. The demographic characteristics of the respondents were meant to give strength to the research findings especially the length of service within the bank. Such respondents are bound to have a wide experience of the banks CSR engagement and therefore able to relate well with various changes that the bank has undergone in its effort to engage in CSR both in and out.

#### 4.3.1: Demographic Characteristics of Respondents

**Table 4.2: Age Distribution**

Age Distribution	Frequency	Percent
25 – 30	19	19.8
31 – 40	58	60.4
41 – 50	15	15.6
50 & Above	4	4.2
<b>Totals</b>	<b>96</b>	<b>100.0</b>

Table 4.2 presents findings of the respondents ages with a majority of the respondents sampled were between the ages of 25 to 50. The cluster of ages 31 – 40 representing over 60% of the sample respondents, those above 50 years old was only 4 representing slightly over 4% of the sampled respondents. Another look at the respondent's ages also could also mean that the likelihood of being a manager, thus a representation of 19.8% of sampled respondents being between ages 25 – 30 years of age.

**Table 4.3 Level of education qualifications**

Level of Education Qualifications	Frequency	Percent
Certificate/Diploma Level	9	9.4
Bachelor's Degree	58	60.4
Master's Degree	29	30.2
<b>Total</b>	<b>96</b>	<b>100.0</b>

An educated work force is able to relate well with both organisational policy as well as find innovative ways to support CSR, such educated work force is also able to measure performance of CSR undertakings, table 4.3 revealed that over 90% of the respondents had either a bachelor's degree or a master's degree with only 9.4 % holding certificate or diploma level.

**Table 4.4 Distribution of respondents by years of work experience**

Work Experience	Frequency	Percent
Below 3 Years	5	5.2
3 - 5 Years	15	15.6
6 - 10 Years	55	57.3
11 - 15 Years	8	8.3
More than 15 Years	13	13.5
<b>Total</b>	<b>96</b>	<b>100.0</b>

The respondent's years of work experience within Barclays, as presented in table 4.4, was also posed, it emerged that 57.3% of the respondents have worked with Barclays for between 6 – 10 years followed distantly by those who have worked for between 3 -5 years at 15.6% and 13.5% for those over 15 years, the smallest representation was that of those who have been with Barclays for less than 3 years.

**Table 4.5 Distribution by area of functional responsibility**

<b>Function of work within Barclays</b>	<b>Frequency</b>	<b>Percent</b>
Operations	54	56.3
Consumer	25	26.0
Marketing & HR	11	11.5
IT	6	6.3
<b>Total</b>	<b>96</b>	<b>100.0</b>

Considering that Barclays has several departments that work together to achieve its intended goals, the sample frame had to be wide enough to capture feedback from all the functional area of the bank. As presented in table 4.5, 56% of the respondents come from the operations department, with a further 26% coming from the consumer function. The Marketing and HR functions as well as the Information Technology (IT) functions provided the least with each providing 11.5% and 6.3% respectively.

**Table 4.6 Distribution by position held**

<b>Position held within the bank</b>	<b>Frequency</b>	<b>Percent</b>
Executive	5	5.2
Managerial	35	36.5
Supervisory	56	58.3
<b>Total</b>	<b>96</b>	<b>100.0</b>

Considering that target respondents need to have had some form supervisory responsibility, the reasoning behind this being that, the respondents would be in a better position to evaluate impact of the bank's contribution in CSR as well as assess the benefits that have accrued to the bank courtesy of CSR. Findings of which as presented in table 4.6, 58.3% of the respondents had team leader roles, with 5.2% holding top leadership (Executive) responsibilities and the remaining 36.5% holding middle management roles.

#### 4.4 Overview of Barclays Bank of Kenya Corporate Social Responsibility

**Table 4.7 Barclays CSR Strategy**

<b>Does Barclays have a CSR Strategy?</b>	<b>Frequency</b>	<b>Percent</b>
Yes	87	90.6
No	1	1.0
Not Sure	8	8.3
<b>Totals</b>	<b>96</b>	<b>100.0</b>

In the quest to know whether Barclays CSR is guided by a policy/strategy, results as presented Table 4.7 show that 87 of the 96 respondents, representing 90.6 % of the sample frame indicated an overwhelming agreement that Barclays CSR is guided by a policy. Only one respondent at 1% indicating the contrary while 8.3% seemed not sure.

**Table 4.8 CSR aligned with performance objectives**

<b>Has Barclays aligned its CSR with its performance objectives</b>	<b>Frequency</b>	<b>Percent</b>
Yes	69	71.9
No	9	9.4
Not Sure	18	18.8
<b>Totals</b>	<b>96</b>	<b>100</b>

A further assessment sought to find out if Barclays has aligned its CSR activities with its performance objectives. It is understood that major decisions and actions in organisations are either guided by policy or a strategy, in so doing, 71.9% of the respondents were affirmative.

**Table 4.9 Overview of Barclays CSR budget**

<b>Is CSR part of Barclay's annual budget?</b>	<b>Frequency</b>	<b>Percent</b>
Yes	82	85.4
No	2	2.1
Not Sure	12	12.5
<b>Total</b>	<b>96</b>	<b>100.0</b>

Budgetary allocation are a key indicator to commitment to doing specific activities, 85.4% of the respondents as presented in table 4.8 acknowledged that there indeed is budgetary allocation for CSR activities with only 14.6% were not sure.

**Table 4.10 Barclays CSR budget Allocation**

<b>Is the allocation sufficient for the banks CSR?</b>	<b>Frequency</b>	<b>Percent</b>
Yes	43	44.8
No	26	27.1
Not Sure	27	28.1
<b>Total</b>	<b>96</b>	<b>100</b>

While budgetary allocations show commitment, impact is achieved if sufficient resources are allocated to specific activities, only 44.8% of the respondents seem to agree that the bank has made sufficient budgetary allocations to the banks CSR, almost 55% were unsure.

#### **4.5 Corporate Philanthropy**

**Table 4.11 Driving force behind Barclays CSR undertakings**

<b>Driving force behind Barclays involvement in CSR</b>	<b>Frequency</b>	<b>Percent</b>
Requirement by Law	4	4.2
Shareholder's Expectations	11	11.5
Reaction to competitors	10	10.4
It is the right thing to do	71	74.0
<b>Totals</b>	<b>96</b>	<b>100</b>

Corporate philanthropy being the willingness of corporates or organisations to support and work with its various stakeholders, for the benefit of all the involved, therefore CSR in Barclays is put into perspective. CSR in Barclays is understood to be an action that is supported by majority of the respondents. When put to the respondents, as highlighted in table 4.11, 71 of the 96 respondents representing 74% of the responses indicated that the driving force behind Barclay's involvement in CSR, was that Barclays felt that it was the right thing to do, followed distantly at 11.5% and 10.4% being shareholder expectations and reaction to competitors CSR undertakings.

**Table 4.12 Barclays CSR - Donations**

<b>Donations to Social/Environmental utility</b>	<b>Frequency</b>	<b>Percent</b>
Yes	63	65.6
No	23	24.0
Not Sure	10	10.4
<b>Total</b>	<b>96</b>	<b>100.0</b>

CSR is a component of various activities both for internal as well as external stakeholders, thus of the CSR undertakings that Barclays has been involved as presented in table 4.12, 65.6% of the respondents indicated that Barclays had been involved in CSR undertakings that have included donations to social and environmental utilities. Over 34% of the respondents were either not sure or felt that Barclays was not donating to social utilities.

**Table 4.13 Barclays CSR – Customer and Community activities**

<b>Support to Customer/Community initiated CSR</b>	<b>Frequency</b>	<b>Percent</b>
Yes	76	79.2
No	9	9.4
Not Sure	11	11.5
<b>Total</b>	<b>96</b>	<b>100.0</b>

Table 4.13 further shows that close to 80% of the respondents indicated that Barclays supports customer and community initiated CSR activities. Close to 10% felt that Barclays does not support such activities. When the question of cause related CSR campaigns was asked, and findings as per table 4.14 where 53% of the respondents considered that Barclays is involved, 47% either not sure or saying that Barclays is not involved in cause related CSR.

**Table 4.14 Barclays CSR – cause related campaign**

<b>Cause related Campaign (e.g. Charity Walk, Run)</b>	<b>Frequency</b>	<b>Percent</b>
Yes	51	53.1
No	35	36.5
Not Sure	10	10.4
<b>Total</b>	<b>96</b>	<b>100.0</b>

**Table 4.15 Barclays CSR – Corporate CSR Foundation**

<b>Support corporate CSR foundations</b>	<b>Frequency</b>	<b>Percent</b>
Yes	39	40.6
No	33	34.4
Not Sure	24	25.0
<b>Total</b>	<b>96</b>	<b>100.0</b>

On the support through a corporate CSR foundation, as per the findings as presented in table 4.15, only 40.6% of the respondents agreed to the same, with 34.4% feeling that Barclays does not have a foundation and thus no CSR through a foundation and 25% were not sure.

**Table 4.16 Ethical motivation of top management**

<b>Ethical motivation of top management</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
Most Important	17	17.7	17.7
Important	35	36.5	54.2
Neutral	17	17.7	71.9
Less Important	18	18.8	90.6
Not Important	9	9.4	100
<b>Total</b>	<b>96</b>	<b>100.0</b>	

Every single activity taken by the organisation is usually proposed and supported for a reason, therefore according to the findings as presented in table 4.16, 54.2% of the respondents indicated that management felt it ethically important to be involved in CSR, however 29% of the respondents did not consider it important that Barclays was involved.

**Table 4.17 Corporate Image**

<b>Promote the corporate image of the bank</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
Most Important	63	65.6	65.6
Important	18	18.8	84.4
Neutral	5	5.2	89.6
Less Important	2	2.1	91.7
Not Important	8	8.3	100
<b>Total</b>	<b>96</b>	<b>100.0</b>	

Other reasons sought by bank in its involvement in CSR as presented in table 4.17, it was found important by 84% of the respondents that involvement in CSR helps in promoting the corporate image of the bank. Less than 16% of the respondents were either neutral or considered CSR not important in promoting the corporate image of the bank.

**Table 4.18 Employee satisfaction and commitment**

<b>Gain employee satisfaction &amp; commitment</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
Most Important	7	7.3	7.3
Important	41	42.7	50
Neutral	32	33.3	83.3
Less Important	11	11.5	94.8
Not Important	5	5.2	100
<b>Total</b>	<b>96</b>	<b>100</b>	

Gaining employee satisfaction and commitment could be a reason for involvement in CSR and thus a driver in CSR engagement, with the reasoning of a committed and satisfied employee is one who is able to deliver effectively for the bank. Table 4.18 presents' findings of this of which 50% considered it important, however 33.3% of the respondents were neutral, with 16.7% saying that gaining employee satisfaction and commitment wasn't important in Barclays' CSR undertakings.

**Table 4.19 Relations with suppliers, institutions, community**

<b>Improving relations with suppliers, institutions, community</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
Most Important	36	37.5	37.5
Important	31	32.3	69.8
Neutral	9	9.4	79.2
Less Important	6	6.3	85.4
Not Important	14	14.6	100
<b>Total</b>	<b>96</b>	<b>100.0</b>	

Relations with suppliers, institutions and the community are important in CSR undertakings. Table 4.19 presents findings to the effect that almost 70% of the responses were positive to the idea that Barclays considered these relationships important, 9.4% of the respondents chose not to expressly indicate what they thought about what Barclays feels with regard to its involvement in CSR. 20.9% of the respondents considered that Barclays does not find its CSR engagements important in improving relations between its suppliers, institutions, and the community at large.

#### **4.6 Staff volunteerism**

Considering that staff volunteerism is where staff willingly give their time and energy towards a certain course that is meant to be of benefit to others without the expectation of a reward; it financial or material but rather the fulfillment that comes with service.



**Table 4.20 Staff participation**

<b>Are Barclays CSR activities/decisions tailored to encourage staff participation?</b>	<b>Frequency</b>	<b>Percent</b>
Yes	90	93.8
No	6	6.3
<b>Total</b>	<b>96</b>	<b>100.0</b>

On staff participation, 93.8% of the respondents, as presented in table 4.20, indicated that Barclays has tailored its CSR activities in such a way that staff are encouraged to participate. This therefore implies that Barclays has put in place mechanisms that make it easy for staff to proactively engage in CSR.

**Table 4.21 Staff Morale**

<b>Staff morale influence on CSR practices</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative %</b>
Strongly Agree	40	41.7	41.7
Agree	31	32.3	74.0
Not Sure	12	12.5	86.5
Disagree	10	10.4	96.9
Strongly Disagree	3	3.1	100.0
<b>Total</b>	<b>96</b>	<b>100.0</b>	

Staff Morale plays a big role on the way activities are carried out. The same applies to institutions especially those that depend on the effort of other parties. CSR being an undertaking that is essentially voluntary calls for a motivated and energized person to undertake. It therefore was important establish the influence of staff morale on CSR undertakings. Table 4.21 presents the findings on how staff morale influences Barclays CSR practice with 74% considering that staff morale play an important role almost 25% were either neutral or did not consider staff moral important to influence Barclays CSR activities.

**Table 4.22 Staff Welfare**

<b>Influence of Staff welfare on Barclays CSR</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
Strongly Agree	29	30.2	30.2
Agree	35	36.5	66.7
Not Sure	14	14.6	81.3
Disagree	10	10.4	91.7
Strongly Disagree	8	8.3	100
<b>Total</b>	<b>96</b>	<b>100.0</b>	

Barclays is bound to benefit either positively or negatively by the way in which it handles the welfare of its staff, therefore to understand the impact of the banks welfare practice on its staff, the question of the influence of staff welfare on Barclays CSR practices was also looked at, the findings of which are as presented in table 4.22 where 66.7% of the respondents felt that Barclays considers staff welfare important in its CSR undertakings. However 33.3% were either neutral or felt that Barclays did not consider staff welfare important in its CSR.

**Table 4.23 Staff Involvement**

<b>Is Staff involvement is voluntary</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
Strongly Agree	42	43.8	43.8
Agree	18	18.8	62.5
Not Sure	14	14.6	77.1
Disagree	10	10.4	87.5
Strongly Disagree	12	12.5	100
<b>Total</b>	<b>96</b>	<b>100.0</b>	

On staff involvement, while CSR participation ideally should be a purely voluntary act by all the actors, it was found out, as presented in table 4.23, that only 62.5% of the respondents agreed that staff involvement in CSR is pure voluntary, with almost 23% of the respondents who seemed not to agree to the notion that staff participation is voluntary. A further 14.6% were not sure whether to agree or disagree

**Table 4.24 Staff initiated activities**

<b>Are staff initiated activities are supported</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative %</b>
Strongly Agree	45	46.9	46.9
Agree	25	26.0	72.9
Not Sure	18	18.8	91.7
Disagree	5	5.2	96.9
Strongly Disagree	3	3.1	100.0
<b>Total</b>	<b>96</b>	<b>100.0</b>	

Commitment and participation is also evidenced by the creativity and willingness to come up with ideas and CSR initiatives. Thus initiation of CSR activities by staff is important, and the support received to support staff initiated activities is very critical. From findings as presented in table 4.24, 72.9% of the respondents agree, however, slightly over 27% of the respondents do not agree that there is support for staff initiated activities.

**Table 4.25 Banks profile on CSR issues**

<b>Has Staff involvement in CSR raised the Banks CSR profile</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
Strongly Agree	52	54.2	54.2
Agree	21	21.9	76.1
Not Sure	13	13.5	89.6
Disagree	4	4.1	93.7
Strongly Disagree	6	6.3	100.0
<b>Total</b>	<b>96</b>	<b>100.0</b>	

Responses on the impact of Barclay's involvement in CSR figure 4.25, indicate that 76% of the respondents agreed that the bank has benefited, 24% of the respondents were either not sure or disagreed that the banks profile has not improved due to the various CSR engagements

**Table 4.26 CSR and Profitability**

<b>Contributed to increased profitability</b>	<b>Frequency</b>	<b>Percent</b>
Yes	39	40.6
No	21	21.9
Not Sure	36	37.5
<b>Total</b>	<b>96</b>	<b>100.0</b>

It is however important to note that when respondents were asked on whether the bank's profitability has increased due to involvement in CSR, table 4.26, their responses were split, with 40.6% in agreement, 21.9% saying no and a whole 37.5% not sure.

**Table 4.27 CSR and Brand Recognition**

<b>Increased brand recognition</b>	<b>Frequency</b>	<b>Percent</b>
Yes	86	89.6
No	4	4.2
Not Sure	6	6.3
<b>Total</b>	<b>96</b>	<b>100.0</b>

Further questions on CSR and brand recognitions as well as marketing the brand, in both cases as presented in table 4.27 and table 4.28, over 82.3% of the respondents agreed that the Barclays brand has benefited from its involvement in CSR.

**Table 4.28 CSR and Brand Marketing**

<b>Marketing the brand</b>	<b>Frequency</b>	<b>Percent</b>
Yes	79	82.3
No	3	3.1
Not Sure	14	14.6
<b>Total</b>	<b>96</b>	<b>100.0</b>

In both cases close to 10% of the respondents felt that CSR has not had any impact on both brand marketing as well as brand recognition

#### **4.7 Supportive Work place policies.**

**Table 4.29 Discrimination at the work place**

<b>Does Barclays follow a strict procedure to stop any form of discrimination in the workplace?</b>	<b>Frequency</b>	<b>Percent</b>
Yes	87	90.6
No	9	9.4
<b>Total</b>	<b>96</b>	<b>100.0</b>

On the question of discrimination in the workplace, table 4.29, almost 91% of the respondents agreed that Barclays follows strict procedures aimed at stopping any forms of discrimination. Considering that organisations need to at all times ensure that they operate on zero tolerance on discrimination of any form, the existence of slightly over than 90% of the respondents who felt that strict procedures are in place therefore positively speaks for Barclays CSR and discrimination.

**Table 4.30 Product Information**

<b>Does Barclays provide full &amp; accurate information about its products &amp; services to its customers/suppliers?</b>	<b>Frequency</b>	<b>Percent</b>
Yes	85	88.5
No	11	11.5
<b>Totals</b>	<b>96</b>	<b>100</b>

Gaining customer trust start with providing accurate information to all and sundry, besides it also is an act of being socially responsible. Considering that Barclays has a symbiotic relationship with its stakeholders, over 88.5% as presented in table 4.30 of the respondents agreed that Barclays does provide accurate information on its products and services with only 11.5% seeming not to agree with the notion that accurate product and services information is provided to the customers. These findings are positive for Barclays since they imply that Barclays not only cares for its interests, but is keen to ensure that the interests of all other stakeholders are taken into consideration.

**Table 4.31 Contribution towards sustainable livelihoods**

<b>Does Barclays contribute to the development of sustainable livelihoods in the community?</b>	<b>Frequency</b>	<b>Percent</b>
Yes	82	85.4
No	14	14.6
<b>Totals</b>	<b>96</b>	<b>100</b>

On the impact of Barclays CSR, it was posed to the respondents to indicate whether Barclays has contributed towards successful and sustainable livelihoods within the community, the responses as summarized in table 4.31 were affirmative with over 85% of the respondents saying that they believed that Barclays CSR has contributed to the sustainable livelihoods in the community. Only 14.6% of the respondents felt that Barclays has not contributed to the sustainable livelihoods in the community.

#### **4.8 Responsible Sourcing and Supplier Diversity**

Considering that Barclays depends not only on its internal resources, good relationships with its external environment are critical, the external as well as internal stakeholders need to be involved in some of the decisions that affect them.

**Table 4.32 Stakeholder Engagement and decision making process**

<b>Frequency of BBK CSR stakeholder engagement</b>	<b>Frequency</b>	<b>Percent</b>
Never	1	1.0
Infrequently	28	29.2
Regularly	67	69.8
<b>Totals</b>	<b>96</b>	<b>100</b>

In this regard, findings summarized in table 4.32 shows the respondents' feedback on two critical points – involvement/engagement and decision making. Almost all the respondents, 99% agreed they are engaged in the CSR process of this 69.8% of the respondents indicating that they are regularly engaged on CSR related issues, with the remaining 29.2% agreeing on involvement but indicating that it has not been as frequent as they would have liked.

**Table 4.33 Product quality, Customer care and ethical advertising**

<b>Does Barclays enhance product quality, customer care &amp; ethical advertising?</b>	<b>Frequency</b>	<b>Percent</b>
Yes	84	87.5
No	12	12.5
<b>Totals</b>	<b>96</b>	<b>100</b>

In an attempt to know whether Barclays has ethical CSR considerations both in product design, pricing and marketing as well as in sourcing for raw material, as presented in table 4.33, 87.5% of the respondents said that Barclays enhances product quality, customer care as well as ethical advertising. 12.5% of the respondents felt that Barclays is not entirely out of the woods as concerns ethical advertising, customer care and enhanced product quality while interacting with its various suppliers.

**Table 4.34 Supplier CSR Performance**

<b>Does Barclays source goods and services from the cheapest suppliers irrespective of their CSR performance</b>	<b>Frequency</b>	<b>Percent</b>
Yes	24	25
No	72	75
<b>Totals</b>	<b>96</b>	<b>100</b>

## **CHAPTER FIVE**

### **SUMMARY OF FINDINGS, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter is based on the responses of the respondents that are presented in chapter four. It presents a summary of the findings, discussions, conclusions of the study, and recommendations of the study. The study will further recommend areas of further research.

#### **5.2 Summary of Findings**

The respondents' feedback on the CSR variables was largely positive although not strong enough in some instances indicating a need by the institution to improve on its CSR. The purpose of the study was to assess the influence of Corporate Social Responsibility (CSR) on the performance of financial institutions, a case of Barclays bank of Kenya in Nairobi County. This was achieved by looking at the various elements of CSR as performed by Barclays. These various CSR elements gave rise to the objectives of the study. The objectives were the corporate philanthropy, staff volunteerism, supportive workplace policies and responsible sourcing and supplier engagement and how these influence the corporate performance of Barclays bank of Kenya. The demographic characteristics of the respondents were also looked at, this focused on their age, length of service within the bank, the functional area within the bank where they carry out their responsibilities as well as the management level within which the respondents were classified

##### **5.2.1 Demographic Characteristics of Respondents**

From the findings majority of the respondents were aged between the ages of 31 -40 years representing 60.4% of the respondents, overall slightly over 80% of the respondents were aged 40 years and below. On qualifications, over 90% of the respondents had above a bachelor's degree as the minimum academic qualification. 67% of the respondents have worked with the bank for over 6 years and therefore very knowledgeable about the bank's operations and dealings with its various stakeholders. On the responsibilities, the respondents were drawn from various functional areas within the bank with majority 56.3% and 26% respectively coming from the operations and the consumer departments which happen to have more than 80% of the total staffing in Barclays. These demographic findings were important since they enabled the researcher to understand the background of the respondents and to establish whether their backgrounds in any way influenced their responses.

### **5.2.2 Influence of Corporate Philanthropy on Performance of Financial Institutions**

The researcher examined how corporate philanthropy, an element of CSR as practiced by financial institutions-Barclays influences the overall performance of the bank. From the findings it emerged that 66% of the respondents agreed that Barclays is involved in donations to social and environmental utilities, close to 80% also said that Barclays has been involved in supporting customer and community initiated CSR activities. Barclay's management also found it important to undertake activities in CSR as evidenced by the ethical motivation of the management where 54.2% of the respondents agreed. It is known that an organisations that have good corporate image are bound to have good overall performance, 84.4% of the respondents said that Barclays has achieved a good corporate image by virtue of being involved in CSR activities.

### **5.2.3 Influence of Staff Volunteerism on Performance of Financial Institutions**

Staff participation/volunteering in CSR activities has had a big impact on improving Barclays CSR profile, it has helped in brand recognition as well as marketing. 89.9% of the respondents said that Barclays brand has benefited due to the involvement of staff in its CSR activities. Through CSR the bank has also been marketed positively considering that 82.3% of the respondents felt that staff involvement in CSR has helped in marketing the Barclays brand. On the question of whether staff involvement in CSR activities, overall 76% of the respondents felt that Barclays CSR profile has greatly been raised by the involvement of staff as volunteers and thus Barclay's stands out as a good corporate citizen. While profitability is key in any business, 40-6% of the respondents indicated that they agree to the effect that staff involvement in CSR has helped in improving the profitability of Barclays.

### **5.2.4 Influence of workplace policies on performance of financial institutions**

Work place policies aim to providing a conducive working environment to an organisations staff so as to make the work at their level best for the betterment of both the organisations and its staff. In Barclays workplace policies are in place and are meant to encourage optimum staff performance. On CSR relates concerns, 93.8% of the respondents said that they agree that CSR issues and activities are tailored to encourage staff participation. This participation is what has greatly contributed to improved marketing and brand recognition which has the ripple effect of improved performance. On staff welfare, Barclays has instituted strict procedure that work to reduce discrimination at the work place. 90.6% of the respondents agreed that this indeed was in place implying that staffs are able to concentrate on their



responsibilities therefore improved performance from them. 88.5% and 85.4 of the respondents also agreed that Barclays products and services are designed in such a way that they focus on not only the banks interests but also the needs of the customer as well as staff, and also that Barclays has been able to contribute to sustainable livelihoods within the community respectively.

#### **5.2.5 Influence of Supplier Diversity on Performance of Financial Institutions**

Interaction with the external environment is a must for Barclays; it is here that it sources its labor, as well as goods and services that are critical to its daily operation. In that regard the nature of activities that its suppliers engage in is of critical importance to Barclays. In order to be effectively appraised of the nature of its suppliers, engagement with these stakeholders is important. On the issue of stakeholder engagement, 99% of the respondents agreed to some form of engagement, of this close to 70% agreed that the engagement is held frequently. It is important to also note that, engagement is not enough, involvement in decision making is necessary, 94.8% of the respondents confirmed that they are involved in decision making with almost 40% indicating that they are always involved in the CSR decision making process.

### **5.3 Discussions**

Based on the findings of the study, it is worth stating that from the analyzed various measures of CSR can be adopted by organisations all with the hope of improving the organisational performance, CSR Europe (2003) defined CSR as the way in which a company manages and improves its social and environmental impact to generate value for both its shareholders and its stakeholders by innovating its strategy, organisation and operations. In relation to this statement, it justifiable to draw conclusions as to what the impact of involvement in CSR by Barclays has had on its performance. For example, the finds of this research indicated that Barclays CSR profile has greatly benefited from staff involvement in volunteer activities, out of which brand recognition and marketing was enhanced. Out of this outcomes the researcher was able to draw conclusions to the effect that improved brand recognition and enhanced marketing led to more market penetration thus an increase client outreach which has a high possibility of returning favorable numbers with regard to Barclay's performance objectives. In this sense while it was not possible to expressly state impact of CSR in absolute number, the organisation can lay claim on the impact that CSR had on its profitability.

Business organizations many look for sustainability, and thus the concept of sustainability where business does not pursue only short-term profits, but rather a multitude of goals which all combine to guarantee business's survival and prosperity in a changing environment. Carroll (1999) explained that CSR is part of a long-term perspective of economic gain that may not be financially measurable but may provide a valuable asset for future profitability, and eventually for "social power". Findings from this study implied that staff agreed that Barclays has put in place measures and procedures that stop any form of discrimination. This therefore means that staffs are happy to continue offering their labour to Barclays. The ripple effect of this being that Barclays is able to retain its high performing employees as well as reduce staff replacement costs. Healthy, safe and good working environment and conditions not only save Barclays expensive legal processes but also avail its employees an environment which enables staff to give their best for the sake of their employer.

According to the Barclays, Citizenship Report (2010), Barclays believes that its' future success depends on focusing its' interests on its' primary stakeholders. Taking stakeholder interest's close, implies investing in the wellbeing of the stakeholders. By putting in place policies that encourage involvement and participation, Barclays was able to get the best for all. For instance in empowering the community on financial literacy, customers are informed on the importance and advantages of saving. This not only helped them to save for their future but also enabled Barclays to access fairly priced funds, a win-win scenario for both Barclays and its customers. This therefore works in favor of Barclays by reducing operations costs and hence increasing profit margins while also increasing shareholder returns.

#### **5.4 Conclusions**

To effectively gain from adoption of CSR strategies, Barclays bank of Kenya needs to improve on some of the issues that were found wanting. While there exists policies and strategies on CSR, the same is not communicated effectively to all its staff. Barclays needs to tap into the huge potential it has as concerns stakeholder engagement to reap the benefits of adoption of CSR practices. While many corporate organisations have formalized CSR foundations, from the research findings, it come out that barely 40% of the respondents thought that Barclays support CSR through dedicated CSR foundation. Over 59% of the respondents indicated that Barclays does not have a CSR foundation, Considering that Barclays has an enthusiastic and energetic workforce that has already demonstrated their willingness to volunteer their time, more support from the leadership will help take Barclays

CSR level a notch higher. This has the immediate effect of making Barclays a recognised entity as concerns CSR. This will also aid Barclays reach out more and even break frontiers it had not conceived before. A look at the findings of this research, where close to 35% of the respondents felt that staff involvement is not purely voluntary, while on the other hand staff morale is what actually influences Barclays CSR activities. If Barclays can work way of encouraging more staff to voluntarily engage in CSR and leverage of the morale exhibited by the very same staff, it can really go far in its CSR.

### **5.5 Recommendations of the Study.**

This section focuses on the challenges that still remain unresolved and gives recommendations to organisations on the need to adopt more stakeholder responsive actions and activities. To this end Barclays should consider setting up a CSR foundation to drive its CSR agenda. While it is involved in CSR, its actions seem disjointed and very poorly coordinated. A Barclays Bank of Kenya CSR foundation will serve to consolidate all CSR activities and access Barclays a focused and coordinated approach to CSR. This will also allow for proper measuring of impact, as well as documentation and effective reporting. As it stands, a lot of Barclays CSR activities are not recorded nor reported anywhere. In the public domain, Barclays is a small time player in CSR cycles.

While participation in CSR especially so by staff is supposed to be purely voluntary, it should be stressed upon organisation leadership that staff should only be encouraged to take active roles in CSR volunteering. Participation should not in any one way be tied around other work related performance objectives that target pin down employee. Organisations also need to expressly demystify CSR and educate all its stakeholders on what CSR is. Most stakeholders forget that employment especially from within the organisation community is an act of CSR but never really mention and mostly not appreciated by majority.

### **5.6 Suggestions for Further Research**

On the basis of this study, the researcher recommends that a similar study should be conducted in other counties to ascertain how CSR influences the performance of those institutions, especially so for those organisations that county based. While this study was focused on financial institutions, a similar study targeting other organisations in different sectors would shed more light on the impact of CSR on organisational performance.

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**APPENDIX I**  
**LETTER OF TRANSMITTAL OF DATA COLLECTION INSTRUMENTS**

Edwin Wekesa Wafula,  
P.O Box 24528 – 00100,  
Nairobi.  
Mobile No. 0722429456,

15<sup>th</sup> April, 2014

Dear Respondent,

**RE: REQUEST TO FILL A RESEARCH QUESTIONNAIRE**

I am a Masters of Arts, Project Planning and Management student at The University of Nairobi. I am carrying out a research on **“Influence of Corporate Social Responsibility On Performance of Financial Institutions, A Case of Barclays Bank of Kenya in Nairobi County.**

To facilitate the exercise, I kindly request for your time to answer the questions in the attached questionnaire. Please note that all questions are equally important to my study. Also note that the information collected from this questionnaire will be treated in strict confidence and will be used only for this academic study and will not in any way be linked to the individual respondent. Your honest responses are most appreciated.

A copy of the findings will be provided on request. Your cooperation in this regard is highly appreciated.

Yours Sincerely

WAFULA, Edwin W.

## APPENDIX II

### QUESTIONNAIRE

This research aims to assess the influence of Corporate Social Responsibility (CSR) on the corporate performance of financial institutions, a case of Barclays Bank (Nairobi) Kenya. Kindly please mark (✓) to the box that matches your answer to the questions.

#### Section A: Demographic Characteristics of Respondents

- 1 What is your current age bracket?
  - a. Below 25 years { }
  - b. 25 – 30 years { }
  - c. 31 – 40 years { }
  - d. 41 – 50 years { }
  - e. Above 50 years { }
  
- 2 What is your highest level of education?
  - a. Secondary level { }
  - b. Certificate/diploma level { }
  - c. Bachelors' degree level { }
  - d. Master's degree level { }
  - e. Doctorate level { }
  
- 3 Working experience with Barclays
  - a. Below 3 years { }
  - b. 3 – 5 years { }
  - c. 6 – 10 years { }
  - d. 11 – 15 years { }
  - e. More than 15 years { }
  
- 4 In what function do you serve within Barclays?
  - a. Operations { }
  - b. Consumer { }
  - c. IT { }
  
- 5 Position held in the organization

- a. Top Management { }
- b. Mid Management { }
- c. Lower Management { }

### **General over-view of Barclays Bank of Kenya (BBK)**

6. Does Barclays Bank of Kenya have a CSR Policy/Strategy?

- a. Yes { }
- b. No { }
- c. Not sure { }

7. In your opinion, has Barclays aligned its CSR with its Financial/Performance objectives?

- a. Yes { }
- b. No { }
- c. Not sure { }

8. Is CSR part of the Barclays's annual budget?

- a. Yes { }
- b. No { }
- c. Not sure { }

9. If Yes in 8 above, is the allocation sufficient to carry out the banks CSR activities?

- a. Yes { }
- b. No { }
- c. Not sure { }

### **Section B: Influence of Corporate Philanthropy on performance of Financial Institutions**

10. What is the **KEY** driving force behind Barclays' CSR undertakings (Choose **ONE** option)

- a. Requirement by law to engage in CSR { }
- b. Stakeholders expect Barclays to engage in CSR practices { }
- c. Reaction to competitors who have adopted CSR practices { }
- d. Barclays believes CSR is the right thing to do { }

11. What actions towards Corporate Philanthropy (CSR) have Barclays been involved in?

<b>Has Barclays been involved in any of these CSR activities</b>	<b>Yes</b>	<b>No</b>
a. Donation to organizations having social or environmental utility		
b. Corporate Support in customer/community initiated CSR requests		
c. Cause Related Marketing campaign (Charity Walk, Heart Run, etc.)		
d. Setting up and supporting a CSR foundations		

12. By rating the level of importance, in your opinion which are the reasons that moved Barclays to support such CSR practices?

(Tick: 1 = Most Important, 2 =Important, 3 = Neutral, 4= less Important 5 = Not Important)

<b>The reasons that moved Barclays to adopt CSR practices?</b>	<b>Level of Importance</b>				
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
a. Ethical motivation of top management					
b. To promote the corporate image of the bank					
c. To gain greater employee satisfaction and commitment					
d. Improving relations with suppliers, institutions, community					

### **Section C: Influence of staff volunteerism on performance of Financial Institutions**

13. Influence of staff involvement on Barclays CSR activities

Please indicate your level of agreement in respect to the following statements

(Tick: 1 = Strongly Agree, 2 =Agree, 3 = Not Sure, 4= Disagree 5 = Strongly Disagree)

<b>In your opinion, how would you rate the extent to which;</b>	<b>Level of Agreement</b>				
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
a. Does staff morale influence Barclays' CSR practice					
b. Does Staff welfare influence Barclays' CSR practice					
c. Is staff involvement in CSR purely on voluntary basis					
d. Are staff initiated CSR activities supported by Barclays bank					
e. Has staff involvement in CSR raised the Banks CSR Profile					

14. Impact of staff Involvement in Barclays CSR activities

In your opinion, how has the involvement of staff in Barclays' CSR activities impacted on its performance	Level of Agreement				
	1	2	3	4	5
a. It has contributed to increased profitability					
b. It has increased the brand recognition					
c. It has helped in marketing the brand.					

**Section D: Influence of Workplace Policies on Performance of Financial Institutions**

15. Does Barclays have a specific Workplace related policy to drive its CSR engagement?

- a. Yes { }
- b. No { }

16. Does Barclays follow a strict procedure to stop any form of discrimination in the workplace?

- a. Yes { }
- b. No { }

17. Does Barclays provide preventative, safe & good working conditions to all employees?  
(Complies with health and safety regulations in the workplace)

- a. Yes { }
- b. No { }

18. Does Barclays provides full and accurate information about its products and services to all its customers and suppliers?

- a. Yes { }
- b. No { }

19. Does Barclays contribute to the development of sustainable livelihoods in its communities?

- a. Yes { }
- b. No { }

**Section E: Influence of Supplier Diversity on Performance of Financial Institutions**

20. How frequently does Barclays partake in CSR stakeholder engagement processes?

- a. Never { }
- b. Infrequently { }
- c. Regularly { }

21. To what extent does Barclays involve stakeholders in CSR process improvements?

- a. Completely involved { }
- b. Partly Involved { }
- c. Not involved { }

22. Does Barclays enhance product quality, customer care & ethical advertising through supplier engagement and responsible sourcing & supplier diversity?

- a. Yes { }
- b. No { }

23. Does Barclays source its goods and services from the cheapest suppliers irrespective of their CSR performance?

- a. Yes { }
- b. No { }

**THANK YOU FOR TAKING YOUR TIME TO FILL THIS  
QUESTIONNAIRE.**

**BE BLESSED**

**APPENDIX III:**  
**IMPLEMENTATION BUDGET**

	<b>ACTIVITY</b>	<b>COST</b>
<b>Proposal Development</b>		
1.	Typing	2,500
2.	Printing	2,000
3.	Photocopying	1,000
4.	Binding	2,000
<b>Sub Cost</b>		<b>7,500</b>
<b>Data Collection</b>		
1.	Typing and Printing of the questionnaires	1,500
2.	Photocopying questionnaires and interview schedules	1,500
3.	Transport	3,000
4.	Communication	1,000
5.	Research Assistants(Coding) 2@ 1000 per day for 2 days	4,000
<b>Sub Cost</b>		<b>11,000</b>
<b>Data Analysis and Report writing</b>		
1.	Typing	3,000
2.	Printing & Photocopying	5,000
3.	Data Coding and Analysis	15,000
4.	Binding	4,000
<b>Sub Cost</b>		<b>27000</b>
<b>Total Research Project Cost</b>		<b><u>45,500.00</u></b>